

AMERICAN LEGISLATIVE EXCHANGE COUNCIL

BYLAWS

2 May 2019

ARTICLE I

NAME

Section 1.01 The name of the corporation shall be the American Legislative Exchange Council (referred to hereinafter as ALEC).

ARTICLE II

PURPOSES

Section 2.01 The purposes and objectives of ALEC are to educate the public, our local officials, state and federal legislators and our private and non-profit members with non-partisan research and analysis to promote free markets, limited government and federalism.

ARTICLE III

MEMBERSHIP

Section 3.01 **Members.** The membership of ALEC shall consist of such persons who accept membership through payment of dues and support of the principles of the organization as set forth in Article III, Section 3.03.

Section 3.02 **Terms and Conditions.** The Legislative Board of Directors may prescribe the terms and conditions (including the setting of dues, fees and assessments) for the initiation, maintenance, suspension or termination of membership.

Section 3.03 **Qualifications for Membership.** Full membership shall be open to persons dedicated to the preservation of free markets, limited government and federalism, who support the principles of ALEC, and who serve, or formerly served, as members of a state or territorial legislature, the United States Congress, or similar bodies outside the United States of America.

Section 3.04 **State Membership.** A state, or other political sub-division thereof, may become a member of ALEC. Such membership fees will be established as set forth in Section 3.02.

Section 3.05 **Additional Classes of Members.** The Legislative Board of Directors may establish more than one class of members, determine their designation, and any particular qualifications for such membership in addition to those prescribed in Section 3.03.

Section 3.06 **Membership List.** The Secretary of ALEC shall oversee maintenance of a membership list in which the names and addresses of all members in good standing shall be inscribed.

Section 3.07 Termination of Membership. Upon charges preferred against any member in writing and filed with the Secretary, and upon consideration by the Directors and the affirmative vote of not less than three-fourths of the Directors present at any regular or special meeting called for such purpose, at which a quorum is present, a member shall be expelled or suspended for cause, including, but not limited to, conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. The written resignation of any member shall be filed with the Secretary and shall be effective on the date of such filing unless a later date is specified. Any member who has been suspended or expelled may be reinstated by the affirmative vote of three-fourths of the Directors present at any regular or special meeting called for such purpose at which a quorum is present, and upon such terms and conditions as the Directors may designate.

To the extent that any class of members includes an organization that may have multiple representatives, a representative may be terminated as provided herein without terminating the membership of the organization.

ARTICLE IV **MEETINGS OF MEMBERS**

Section 4.01 Timing and place of meetings. Meetings of the members shall be held at the places, dates, times and frequency as determined by the Legislative Board of Directors.

Section 4.02 Special Meeting. Special meetings of the members may be called by the National Chair of the Legislative Board of Directors, or a majority of the Legislative Board of Directors.

Section 4.03 Notice of Meeting. Notice of meetings, or of any special meeting, shall be mailed to each member at the physical or electronic mail address shown on ALEC'S books not less than ten (10) days before any such meeting. It shall state the place, day and time of such meeting.

Section 4.04 Conduct of the Meeting. The National Chair or a designee of the Chair shall preside at each meeting of the members.

Section 4.05 Rules of the Meeting. Because ALEC believes in encouraging the free expression of views and exploration of ideas, participants of any ALEC meeting are free to use any and all the information received, but neither the identity nor the affiliation of any speaker, nor that of any other participant, may be revealed.

Meetings of ALEC shall be conducted under the guidelines of Robert's Rules of Order, except as otherwise provided.

ARTICLE V **LEGISLATIVE BOARD OF DIRECTORS**

Section 5.01 General Powers. The business and affairs of ALEC shall be managed by its Legislative Board of Directors. The Legislative Board of Directors shall exercise general supervisory power over all aspects of the administration of ALEC, but it is authorized to delegate such powers, duties, or responsibilities to such Directors, officers, members, or employees as it may by resolution provide.

Section 5.02 Number. The number of members of the Legislative Board of Directors shall be twenty-three (23).

- Eighteen Directors (18) shall be nominated and elected by the Legislative Board of Directors. Three (3) Directors shall be elected by the Legislative Board of Directors from a list of six (6) nominees nominated by the State Chairs, one of whom shall be the Chair of the State Chairs.
- Two (2) Directors shall be elected by the Legislative Board of Directors from a list of four (4) nominees supplied by the Legislative Task Force Chairs, all four of whom shall be Task Force public sector chairs.

Section 5.03 Election and Term. Legislative Board of Directors will be elected at each Annual Meeting for a term to commence on January 1st, following the election. One-sixth of the Legislative Directors nominated and elected by the Legislative Board of Directors shall be elected each year and their term shall be six (6) years. At the end of each term a Director must take at least a one-year sabbatical before being considered for another term. There is no limit on the number of terms that may be served. The term of those Directors elected as nominees of the State Chairs and the Task Force Chairs, shall be two (2) years. They may be elected to only one succeeding term without an interruption in their term of service.

Section 5.04 Qualifications. Legislative Directors must be a member of ALEC and serve as an elected state legislator at the time of their election or reelection to the Board, and for the duration of their term on the Board, except the Immediate Past National Chair. One (1) Director may be a currently elected member of the U.S. Congress at the time of their election or reelection to the Board, so long as they were formerly a member of ALEC.

Section 5.05 State Restriction. Of the eighteen directors (18) members nominated and elected by the Legislative Board of Directors, only one Board member may serve from any one State, except that States having a former National Chair on the Legislative Board of Directors shall be permitted an additional Board member from the same state. Those Legislative Directors elected from the list of nominees supplied by the State Chairs and the Task Force Chairs may be from any state.

Section 5.06 Removal and Vacancies. The Legislative Board of Directors may remove any Legislative Director with or without cause, including for conduct that can be considered harassing, coercive, or disruptive, including sexual harassment, by the affirmative vote of three-fourths of the Directors present at a meeting at which a quorum is present. Such action shall not be taken except upon thirty-(30) days written notice to such Legislative Director whose removal is proposed. For purposes of this section, cause may include failure to attend two consecutive regular board meetings without a reason approved by the Legislative Board. Members of the Legislative Board of Directors who vacate their Legislative position, for whatever reason, may serve at the pleasure of the National Chair until the next Legislative Board of Directors meeting when they will be replaced, except as otherwise provided by these bylaws. Vacancies for unexpired terms may be filled by the board at any of its meetings.

Section 5.07 Annual and Regular Board of Director Meetings. An annual meeting of the Legislative Board of Directors shall be held in conjunction with the annual meeting of the legislative members for the purpose of electing officers and carrying on such business as may properly come before the meeting. Such meeting shall be held at the place where the members' meetings are held. The Legislative Board of

Directors may adopt a schedule of additional meetings, which shall be considered regular meetings. All meetings of the Board shall be held at a place designated by the National Chair.

Section 5.08 Special Meetings. Special meetings may be called by the National Chair or by a majority of the Members of the Legislative Board of Directors.

Section 5.09 Notice of Meetings.

The location of all Legislative Board of Directors meetings shall be communicated to all Legislative Directors in verbal, electronic, or written form. Notice of such meetings may be given orally or in writing, but not less than ten (10) days prior to such meeting. Notice may be waived by any Legislative Director, but such waiver shall be in writing. Notice of special meetings held during the annual or regular meetings shall be given not less than twenty-four (24) hours prior to such meeting.

Section 5.10 Joint Meetings and Voting Privileges. A joint meeting of the ALEC Legislative Board of Directors and the Private Enterprise Advisory Council (as defined in section XVII) will be held at least once annually, and may be scheduled as directed by the ALEC National Chair, or at the request of a majority of the ALEC Legislative Board of Directors. Voting will be the exclusive right of the ALEC Legislative Board of Directors.

Section 5.11 Quorum and Voting. One-third of the Legislative Board of Directors shall constitute a quorum. All matters to be decided at any meeting at which a quorum is present shall be by the affirmative vote of the majority of the Legislative Directors present except in instances where a vote of a greater number is required by law or by these Bylaws. Each Legislative Director shall, at every meeting, be entitled to one vote. A Director may not vote by proxy.

Section 5.12 Rules Governing Conduct of Meetings. All meetings will be conducted under the guidelines of Robert's Rules of Order, except as otherwise provided.

Section 5.13 Technological Access to Meetings. According to procedures adopted by the Legislative Board of Directors, they may participate in a regular or special meeting, or conduct the meeting with the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Legislative Director participating in a meeting by these means is deemed to be present in person at the meeting.

Section 5.14 Action Without Meeting. The Legislative Board of Directors may take any action without a meeting, which could be taken at a meeting, by execution of written unanimous consent which shall be filed and recorded by the Secretary in the same manner as if the meeting had been held. The action taken shall be effective when all Legislative Directors have approved the consent, unless the consent specifies a different effective date.

Section 5.15 Compensation. No Legislative Director shall be entitled to any compensation for his services as a Legislative Director, except reimbursement for expenses as authorized by the National Chair according to procedures established by the Legislative Board of Directors.

Section 5.16 Chair Emeritus. All former National Chairs, with at least ten years of membership service to ALEC (as Task Force member or state chair) in addition to being a National Chair, and is in good

standing, shall be designated as a permanent Chair Emeritus and shall be entitled to participate as ex-officio members of the Legislative Board of Directors, and perform such duties as authorized by the National Chair. A Chair Emeritus shall not be counted in the determination of a quorum or entitled to vote.

Section 5.17 Election of Officers. The Legislative Board of Directors shall elect, from among its legislative membership, the Officers of ALEC.

ARTICLE VI OFFICERS

Section 6.01 Officers. The officers of ALEC shall consist of a National Chair, a First National Vice Chair, a Secretary, a Treasurer, and the Immediate Past National Chair. In addition, there may be such other officers as may be designated from time to time by the Legislative Board of Directors, in accordance with these Bylaws. No two positions may be held by the same individual.

Section 6.02 Election and Qualification. In accordance with the procedures established in Article VIII, Section 8.04, the Legislative Nominating Committee shall submit the names of the proposed slate of new legislative officers to the Legislative Board of Directors at the annual meeting. Nominations may be submitted by any Legislative Director to the Nominating Committee. There is no automatic succession of legislative officers through the chairs of ALEC.

Section 6.03 Terms of Office. The officers shall be elected at the annual meeting of the Legislative Board of Directors or at such other meetings of the Directors as shall be called for such purposes. The officers elected at the annual meeting shall take office at the first Legislative Board of Directors meeting following the 15th of November. Unless otherwise determined by resolution, legislative officers shall hold office for one year and until their successors shall be elected and qualified. The National Chair shall hold office for one term and may not succeed himself or herself.

Section 6.04 Resignation. Any officer may resign at any time by giving written notice of his or her resignation to the Chair or to the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time is so specified, upon its receipt by the appropriate officer. Acceptance of a resignation shall not be necessary to make it effective.

Section 6.05 Removal. The Legislative Board of Directors may remove any officer from his or her office with or without cause by the affirmative vote of three-fourths of the Directors present at a meeting at which a quorum is present. Such action shall not be taken except upon thirty- (30) days written notice to the officer whose removal is proposed.

Section 6.06 Vacancies. A vacancy in the office of National Chair, during his/her term, shall automatically be filled by the First Vice Chair. Other vacancies in any office shall be filled by a vote of a majority of the Legislative Board of Directors.

ARTICLE VII DUTIES OF OFFICERS

Section 7.01 The National Chair. The National Chair shall provide inclusive leadership to the Legislative Board of Directors, ensuring that each director fulfills their duties and responsibilities for the effective governance of the organization. The National Chair shall oversee the direction of the organization and have general supervision over other officers and the Chief Executive Officer, subject to the control of the Legislative Board of Directors. The National Chair shall preside at all meetings of the members and the Legislative Board of Directors. He/she shall be empowered to appoint committees and shall, as ex officio, be a member of all such committees.

The National Chair may sign, execute and deliver in the name of ALEC, all deeds, mortgages, bonds, contracts and other instruments, except in cases where such signing, execution or delivery thereof shall be expressly delegated otherwise by the Legislative Board of Directors, by these Bylaws or by the laws of the State of Illinois. The National Chair shall perform all duties incident to the office of National Chair and such other duties as may from time to time be assigned by these Bylaws or by the Legislative Board of Directors.

Section 7.02 The First National Vice- Chair. In the event of the temporary absence or disability of the Chair, the First Vice -Chair shall perform all of the duties of the Chair. At all other times, the First Vice-Chair shall perform such duties and exercise such powers as from time to time may be assigned to him or her by these Bylaws, the Legislative Board of Directors or the National Chair.

Section 7.03 The National Secretary. The Secretary shall attend the meetings of the Legislative Board of Directors, of the members of ALEC, of the Executive Committee of the Legislative Board of Directors and shall record all of the proceedings of such meetings, and shall be the custodian of the seal, and shall affix the seal to all such documents as may be required by law. The Secretary shall give or cause to be given notice of all meetings of the members and of the Legislative Board of Directors in accordance with the provisions of these Bylaws and shall keep copies of these Bylaws available for inspection by the legislative membership, the officers or the Legislative Board of Directors. In general, the Secretary shall perform such duties incident to the office of Secretary and other duties as may from time to time be assigned by these Bylaws, the Legislative Board of Directors or the National Chair.

Section 7.04 The National Treasurer. The treasurer shall oversee the management of the financial affairs of the organization. He/she shall be knowledgeable about who has access to the organization's funds and any outstanding debts owed. The treasurer should create and maintain systems for ensuring the organization's ongoing solvency and oversee the development of the organization's financial policies. He/she should have thorough knowledge and understanding of the financial reports. The treasurer will keep the board apprised of key financial events, trends, and concerns and his/her assessments of the organization's fiscal health.

The treasurer shall be responsible for oversight of the organization's annual budget and shall work in conjunction with the finance committee, CFO and CEO on all matters relative to budget preparation. The CEO and CFO will work with the treasurer and appropriate board members to ensure projections are met and expenditures do not exceed the annual budget.

The Legislative Board of Directors is empowered to assign certain financial responsibilities in particular circumstances. Checks issued by the organization shall be signed by the CEO and countersigned by a designated signee. The Legislative Board of Directors may designate the treasurer to sign disbursements on behalf of the CEO.

ARTICLE VIII COMMITTEES OF DIRECTORS

Section 8.01 Committees. There shall be an Audit Committee, a Nominating Committee, an Executive Committee, a Membership and Development Committee and any such committees as appointed by the National Chair. The Legislative Board of Directors shall have the power to direct the Chair to create, appoint or terminate committees.

Section 8.02 Executive Committee. The Executive Committee shall be composed of the Legislative Officers, the Immediate Past Chair, the Chief Executive Officer (non-voting), one person serving at the pleasure of the chief executive officer and shall have powers as delegated by the Legislative Board of Directors to take actions between Board meetings. Four (4) members of the Committee shall constitute a quorum not including the Chief Executive Officer. The Committee shall determine the timing and location of ALEC national meetings. The Committee shall annually consider and shall submit to the Legislative Board of Directors for approval a long-term strategic plan.

Section 8.03 Audit Committee. The Audit Committee shall be composed of Directors who shall review the financial records of ALEC and provide fiscal reports and recommendations to the Legislative Board of Directors; and shall review the work of an independent auditor who shall conduct an annual audit of ALEC.

Section 8.04 Nominating Committee. The Nominating Committee shall be appointed from the Legislative Board of Directors by the National Chair and shall consist of the National Chair, serving as Chair of the committee, the National Vice Chair and past National Chairs who are serving on the Legislative Board of Directors. The committee shall consist of five (5) members. In the event there are less than three (3) eligible past National Chairs the National Chair may appoint an additional member or members from the Legislative Board of Directors as required. The Nominating Committee shall submit a list of candidates for election as Legislative Officers and Directors including three names from the list of six nominees submitted by the State Chairs and the list of four (4) nominees submitted by the Task Force Chairs. In so far as possible, consideration shall be given to geographic balance and bipartisan representation, The Nominating Committee may not nominate any of its legislative nominating committee members for positions enumerated in Article VI.

Section 8.05 Membership and Development Committee. The Membership and Development Committee shall be appointed from the Legislative Board of Directors by the National Chair and shall consist of five (5) members. The committee is responsible for overseeing the organization's membership recruitment and development and fundraising in accordance with the ALEC strategic plan and, in particular, the recruitment and fundraising done directly by the Board. To accomplish this, the Committee may incorporate a series of appropriate vehicles, such as special events, and work with the Membership and Development staff in their efforts to recruit members and raise money. The Committee will also oversee certain outreach efforts, such as appointing and leading host committees for meetings, hosting

fundraising events in the members' respective states and elsewhere, or meeting with private sector prospects and individual donors. In furthering its work, the Committee may seek the assistance of any other member of the Board of Directors and to utilize the advice and assistance of any member of the Private Enterprise Advisory Council, who may serve as ex officio members of the Committee.

Section 8.06 Committee Meetings. Committee meetings will be convened at the call of the Legislative Committee Chair with the consent of the National Chair, or as may be authorized by the Legislative Board of Directors.

ARTICLE IX CHIEF EXECUTIVE OFFICER

Section 9.01 Appointment. With the approval of the Legislative Board of Directors, the National Chair shall appoint and determine the salary and conditions of the Chief Executive Officer. The Chief Executive Officer shall serve at the pleasure of the Legislative Board of Directors.

Section 9.02 Duties and Powers. The Chief Executive Officer shall be the chief administrator of ALEC responsible for management functions under the direction of the National Chair. They shall manage and direct all activities, including the public policy work and direction, of ALEC as prescribed by the Legislative Board of Directors. They shall employ, and may terminate, members of the staff necessary to carry on the work of ALEC, shall fix their compensation within the approved budget, subject to the direction and approval of the National Chair and the Legislative Board of Directors, and supervise them in the conduct of their duties.

ARTICLE X STATE CHAIRS AND STEERING COMMITTEE

Section 10.01 Appointment. A State Chair that accepts the terms of the office and training in roles and responsibilities shall be appointed by the National Chair. All State Chairs are appointed by the National Chair. When possible Co-Chairs shall be appointed with one Co-Chair representing each chamber of the state legislature. All Private Sector State Chairs are appointed by the respective ALEC State Chair, and confirmed by the, the National Chair. Each respective ALEC State Chair shall appoint a Private Sector State Chair to serve concurrently with the respective State Chair.

Section 10.02 Regional Vice-Chair. States are grouped into regions providing a means for the Legislative Board of Directors to represent the organization's interests and needs to the state chairs in their region regarding recruitment and retention of membership. The Legislative Board of Directors will approve the Public Sector Regional Vice-Chair to represent each of the American Legislative Exchange Council's regions, as delineated by the Legislative Board of Directors.

Section 10.03 Term. State Chairs serve for a two- (2) year term, and shall be appointed/reappointed by December 1st of an election year with the term beginning January 1st of the following year. The State Chair may be reappointed by the National Chair if the respective State Chair is performing his/her duties in a satisfactory manner.

account may be used for ALEC related expenses only. Violation of this section shall constitute grounds for (1) immediate removal from a leadership position, and (2) dismissal from membership in accordance with these bylaws.

ARTICLE XI **CENTERS OF EXCELLENCE**

Section 11.01 Authority. Centers of Excellence (Centers) will be authorized by the Board of Directors for the within the bounds of ALEC purposes and objectives.

Section 11.02 Members. Centers will consist of state legislative members and non-legislative members of ALEC.

Section 11.03 General Powers. Centers are empowered to explore policy ideas and issues that are consistent with ALEC's principles, mission and objectives and to conduct academies, write papers or other publications, make speeches and engage in similar outputs so long as the oversight as detailed in this article is observed.

Section 11.04 Oversight of Actions. All actions of the Center are to be submitted and reviewed by the Center chair, and center advisory board to consist of at least two public sector members. All work of the Center is subject to the review of the Legislative Board of Directors on request.

ARTICLE XII **TASK FORCES**

Section 12.01 Authority. Task forces will be authorized by the Legislative Board of Directors for developing policy positions that promote ALEC purposes and objectives.

Section 12.02 Members. Task forces will consist of state legislative members and non-legislative members of ALEC.

Section 12.03 General Powers. Task forces are empowered to consider and debate legislative issues that are consistent with ALEC's principles, mission and objectives and to recommend approval of model policy, resolutions, and policy positions to the Legislative Board of Directors

Section 12.04 Actions. All actions of the task force are to be submitted to the Legislative Board of Directors for adoption as ALEC policy positions.

Section 12.05 Procedures. Specific rules of procedure for the operation of task forces will be adopted by the Legislative Board of Directors, compiled and known as the Task Force Operating Procedures.

ARTICLE XIII **TASK FORCE CHAIRS AND STEERING COMMITTEE**

Section 13.01 Appointment. Task Force Chairs that accept the terms of the office and training in roles and responsibilities shall be appointed by the National Chair. All Task Force Chairs are appointed by the National Chair.

Section 13.02 Term. Task Force Chairs serve for a two- (2) year term, and shall be appointed/reappointed by December 1st of an election year with the term beginning January 1st of the following year. The Task Force chair may be reappointed by the National Chair if the respective State Chair is performing his/her duties in a satisfactory manner. No Task Force Chair shall serve in such role for more than a continuous four years.

Section 13.03 Duties. Task Force Chairs duties shall include recruiting new legislative and private sector members, planning task force meetings, developing and sponsoring educational activities appropriate to the specific subject areas of the Task Force and identifying critical issues, developing ALEC's official policy statements and model policy appropriate to the specific subject areas of the Task Force.

Section 13.04 Training. The Task Force Chair shall participate in a training program consisting of an orientation at the States and Nation Policy Summit in Washington, DC that will include a peer-to-peer orientation and overview of the roles and responsibilities.

Section 13.05 Task Force Agreement. The Task Force Agreement will include a job description that will define roles and responsibilities. For appointment consideration by the National Chair the Task Force Chair must agree to the terms set forth in the Task Force Chair Agreement.

Section 13.06 Termination of Term. Should the terms of the State Chair Agreement not be met by the State Chair the National Chair can remove the State Chair at his or her discretion.

Section 13.07 Meetings. Task Force Chairs shall meet at least two (2) times a year in conjunction with the scheduled meetings of the Legislative National Board of Directors as outlined in Article IV.

Section 13.08 Elections. The Chair of the State Chairs and the Private Sector Chair of the State Chairs shall meet at the ALEC Annual Meeting to separately elect a Chair of the State Chairs and a Private Sector - Chair of the State Chairs from their respective members whose duties shall be to preside at their State Chairs meetings. Pursuant to Article V, Section 5.02, the State Chairs shall nominate six members, one of whom shall be the Chair of the State Chairs, whose names shall be submitted to the ALEC Legislative Board of Directors Nominating Committee for consideration as ALEC Legislative Board of Directors. The duty of the Private Sector -Chair of the State Chairs is to assist the Chair of the State Chairs in fundraising and private/public sector recruitment and retention. The Chair of the State Chairs and the Private Sector Chair of the State Chairs may not serve more than two (2) consecutive two- (2) year terms. In addition, the State Chairs shall establish an Executive Committee composed of the following: the Chair of the State Chairs (who will Chair the Executive Committee) the Private Sector Chair of the State Chairs, the three designated public sector State Chairs currently serving on the ALEC Legislative Board of Directors, and three Private Sector State Chairs selected by the Private Sector State Chair of the State Chairs. The Executive Committee shall meet at the States and Nation Policy Summit, and at the Annual Meeting.

ARTICLE XIV FINANCE

Section 14.01 General Provisions. ALEC shall be financed by proceeds from its membership dues and grants from public and private sector interests.

Section 14.02 Annual Budget and Amendments. The Chief Executive Officer shall present a proposed budget for the coming fiscal year to the Legislative Board of Directors who may amend and adopt the budget by a majority vote.

Section 14.03 Fiscal Year. The fiscal year shall begin on the first day of January and shall end on the thirty-first of December.

Section 14.04 Audit. The books and records of ALEC shall be audited at least once annually by an independent auditor or accountant and approved by the Legislative Board of Directors.

Section 14.05 Contracts and Agreements. The Board may enter into contracts with government, private interests, or foundations for funding grants which are determined to be in the interests of ALEC and its philosophical purposes.

Section 14.06 Financial Statement. The Treasurer shall issue to the Legislative Board of Directors an annual statement of its financial condition as of the close of each fiscal year.

Section 14.07 Membership Dues. In fiscal year 2020, private sector membership dues shall be increased, and shall increase annually indexed to the Consumer Price Index of the preceding year, unless the Legislative Board of Directors votes otherwise.

Public sector dues shall be discussed and voted upon by the Legislative Board of Directors no less than every five years, beginning in 2020.

ARTICLE XV GENERAL PROVISIONS

Section 15.01 Amendments. These Bylaws may be amended by the affirmative vote of a majority of the 23 member Legislative Board of Directors. A ten-day notice will be given in advance of any meeting called to change the Bylaws.

Section 15.02 Registered Agent. The name and address of the registered agent of the corporation shall be provided by resolution of the Legislative Board of Directors. Said registered agent shall be a citizen of the State of Illinois and reside therein.

Section 15.03 Principal Place of Business. The principal place of business of the corporation shall be Arlington, Virginia. The Legislative Board of Directors may authorize other places of business to suit the needs of the corporation.

Section 15.04 The Seal of ALEC. The seal of ALEC shall be circular in form, shall bear its name in the margin thereof and shall indicate the facts of its corporation in the State of Illinois in the year of 1975.

ARTICLE XVI INDEMNIFICATION

Section 16.01 Indemnification of Officers, Legislative Board of Directors, Employees and Agents.

(a) ALEC may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of ALEC) by reason of the fact that he or she is or was a legislative director, officer, employee, or agent of ALEC, or who is or was serving at its request as a legislative director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of ALEC, and, with respect to any criminal action or proceeding had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the corporation, or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

(b) ALEC may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a legislative director, officer, employee or agent of ALEC, or is or was serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of ALEC provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to ALEC, unless, and only to the extent that the court in which such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

(c) To the extent that a legislative director, officer, employee or agent of ALEC has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in subsections, (a) and (b), or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under subsection (a) and (b) (unless ordered by a court) shall be made by ALEC only as authorized in the specific case upon a determination that indemnification of the legislative director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in subsection (a) and (b). Such determination shall be made

(1) by the Legislative Board of Directors by a majority vote of a quorum consisting of legislative directors who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by ALEC in advance of the final disposition of such action, suit or proceeding, as authorized by the Legislative Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the legislative director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by ALEC as authorized in this Section.

The indemnification provided by this Section shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XVII

PRIVATE ENTERPRISE ADVISORY COUNCIL

Section 17.01 Creation. The formation of a Private Enterprise Advisory Council to support the activities and programs of ALEC is authorized.

Section 17.02 Procedures. Specific rules of procedure for the operation Private Enterprise Advisory Council will be adopted by the Legislative Board of Directors, compiled and known as the Private Enterprise Advisory Council Operating Procedures.

Section 17.03 Membership. Members of the Private Enterprise Advisory Council are appointed by the National Private Enterprise Advisory Council Chair with the advice and consent of the ALEC Legislative Board of Directors.

Section 17.04 Terms of Office. The officers shall be elected at the annual meeting of the Legislative Board of Directors or at such other meetings of the Directors as shall be called for such purposes. The officers elected at the annual meeting shall take office at the first Legislative Board of Directors meeting following the 15th of November. The Private Enterprise Advisory Council Chair shall hold office for a two-year term and may only succeed themselves by leave of the National Chair.

Section 17.05 Member Activities. Members of the Private Enterprise Advisory Council may be invited to attend all ALEC meetings and functions. The National Chair may appoint members of the Private Enterprise Advisory Council to serve on Legislative Board committees pursuant to rules adopted by the ALEC Legislative Board of Directors. A sixty percent supermajority of the members on the Legislative Board Committees will be from the Legislative Board of Directors.

Section 17.06 Chair. The Chair of the Private Enterprise Advisory Council shall serve as a non-voting ex-officio member of the ALEC Legislative Board of Directors, and any Legislative Board Committee, except the Nominating Committee and any other Committee(s) restricted by the Legislative Board of Directors, at the appointment of the ALEC National Chair.

Section 17.07 ALEC National Chair. The ALEC National Chair shall serve as an ex-officio member of the Private Enterprise Advisory Council and shall serve as the ALEC Legislative Board of Directors official contact between ALEC and the corporations, foundations, and other non-legislative members whose representatives serve on the Private Enterprise Advisory Council.

Section 17.08 Limitations. The Private Enterprise Advisory Council is prohibited from entering into any contracts, establishing any checking account or deposit arrangement outside of that which exists between ALEC and any financial institution.